

**COUNTY OF MILWAUKEE**  
Inter-Office Communication

**DATE:** October 13, 2014

**TO:** Pat Jursik, Chairwoman, Economic & Community Development Committee

**FROM:** Héctor Colón, Director, Department of Health and Human Services  
*Prepared by James Mathy, Housing Administrator*

**SUBJECT: An informational report from the Director, Department of Health and Human Services (DHHS), presenting the results of the application process for the Foreclosure Mitigation Initiative**

**Issue**

In December 2013, the County Board approved Resolution File No. 13-918 authorizing the implementation of the County's first Foreclosure Mitigation Initiative using \$837,694 from the Economic Development Fund through a partnership between the Department of Health and Human Services (DHHS) Housing Division and the Department of Administrative Services (DAS) Economic Development Division. This fund was created by proceeds collected from the sale of the University of Wisconsin-Milwaukee Innovation Campus.

Homeowners and landlords are eligible for a \$20,000 per unit, 0 percent, 15-year loan for rehab and acquisition expenses related to a foreclosure within Milwaukee County. The program requires a 50 percent match by the borrower.

**Background**

The Housing Division conducted a Request for Proposals (RFP) for applications and the final review has been completed. The Housing Division is awarding funding to the following four agencies to assist County clients:

**Select Milwaukee, Inc. – Sustainable Homeownership (\$300,000)**

Select Milwaukee, Inc. is proposing to use these funds for at least 15 foreclosures to provide homeownership opportunities for families. Since 1991, Select Milwaukee has been a trusted source for homeownership services – advocacy and counseling for home buying and financing, home repair, financial wellness, and home preservation. Over the past seven years, Select Milwaukee's work has resulted in 1,254 new homeowners, 439 homeowners saved from imminent foreclosure, 349 home purchases combining rehab and energy efficiency improvements, 410 jobs created and/or sustained and \$50 million in total economic impact on Milwaukee. Select Milwaukee will identify qualified families through their existing underwriting criteria and ensure that families are ready for homeownership. Select Milwaukee staff will work with the Housing Division to help identify qualified Milwaukee County service participants.

**ACTS Housing – Foreclosure Reclamation Project (\$100,000)**

ACTS Housing is proposing to use funds for at least five foreclosures to provide homeownership opportunities for families. ACTS is a longstanding HUD approved homebuyer counseling agency. Since 1992, ACTS has helped more than 1,700 families purchase homes in Milwaukee’s inner-city. Many of these clients have received services through several Milwaukee County Departments. ACTS currently has more than 1,000 potential homebuyers in their pipeline. This resource will be integrated into their existing homebuyer counseling service. ACTS currently has many neighborhood partners that contribute towards their homeownership mission including Washington Park Partners, Layton Boulevard West Neighbors, Habitat for Humanity, Walnut Way, and several other community groups.

**Gorman & Company, Inc. – Sherman Park Homeowners Initiative (\$200,000)**

Gorman & Company, Inc. works to revitalize communities through innovative housing partnerships. As a trusted partner and respected industry leader since 1984, Gorman and Company specializes in downtown revitalization, the preservation of affordable housing, workforce housing, and the adaptive reuse of significant historic buildings. Gorman & Company brings a wide range of development experience to its communities. Its neighborhoods range from upscale condominium communities to mixed-use developments in downtown redevelopment areas. Gorman’s unique affordable housing communities offer high-quality amenities that serve the creative class, seniors, accessibility-challenged, entrepreneurs, families, and individuals.

Gorman & Company has developed innovative and catalytic properties in partnership with the Wisconsin communities of Milwaukee, Racine, Kenosha, Madison, Portage, Sheboygan, Evansville, Fond du Lac, Cudahy, Janesville, and Wisconsin Dells. Gorman & Company has also completed developments in Moline, Illinois; Gulfport, Mississippi; Tavernier and Islamorada, Florida; and Phoenix, Arizona.

The Sherman Park Homeowners Initiative Project is the sixth phase of Gorman & Company’s Northside Housing Initiative, which aims to help stabilize and revitalize the housing stock on Milwaukee’s northside. All six phases have involved purchasing foreclosed vacant lots, homes, or duplexes from the City of Milwaukee and putting these properties back on the tax rolls after extensive renovation. By early 2015, Gorman & Company will have constructed and rented over 200 single family and duplex units on Milwaukee’s northside. All of these properties are managed by Gorman and Company.

This project will provide at least ten homes for individuals participating in Family Care and receiving services from the Disability Services Division. They have contracted with Jewish Family Services to provide the necessary supportive services for clients to be successful in their own homes. A part-time service coordinator will be responsible for linking the target population at the scattered sites with supportive, medical, and advocacy services. This will be the second partnership between the Housing Division and Gorman and Company working with

this population.

**Journey House – Campus Housing (\$90,589)**

For the past 45 years, Journey House has been serving Milwaukee’s Near Southside Neighborhoods by working with the community using a self-help philosophy in order to increase education, reduce unemployment and crime, strengthen families, and revitalize neighborhoods. Journey House moves families out of generational poverty through adult education, workforce development and youth development.

Journey House is partnering with the Housing Division to provide six units of housing for individuals participating in Milwaukee County’s Wraparound Program. This will be the County’s first organized effort to begin providing supportive housing to individuals aging out of foster care. Journey House will provide wraparound services including workforce development and on-the-job training, financial education, recreation, and education.

Milwaukee County’s Wraparound program will assist in the selection of the tenants to ensure that individuals can be successful in this housing model. A master lease between Journey House and Milwaukee County Wraparound will guide the tenant selection and rental policies.



---

Héctor Colón, Director  
Department of Health and Human Services

cc: County Executive Chris Abele  
Raisa Koltun, County Executive’s Office  
Kelly Bablitch, Chief of Staff, County Board  
Don Tyler, Director, DAS  
Josh Fudge, Director, Office of Performance, Strategy & Budget  
Matthew Fortman, Fiscal & Budget Analyst, DAS  
Alexis Gassenhuber, County Clerk’s Office  
Jill Suurmeyer, Research Analyst - Comptroller’s Office